

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

BEFORE THE INDIANA  
COMMISSIONER OF INSURANCE

CAUSE NO.: 15617-AG16-0909-173

IN THE MATTER OF: )  
 )  
INSURANCE PRODUCER LICENSE )  
APPLICATION OF: )

Herbert Stepherson )  
1408 Chicago St. )  
Valparaiso, IN 46383 )  
 )

Applicant.

**FILED**

MAR 31 2017

STATE OF INDIANA  
DEPT. OF INSURANCE

**FINAL ORDER**

On February 24, 2017, the Administrative Law Judge, Reuben B. Hill, filed his Findings of Fact, Conclusions of Law and Recommended Order in the above-captioned matter.

1. The Department served Findings of Fact, Conclusions of law, and Recommended Order and Notice of Filing Recommended Order on Respondent by mailing the same to his address of record.

2. The Department has complied with the notice requirements of Ind. Code §4-21.5-3-17.

3. Neither party has filed an objection with the Commissioner regarding the Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommended Order, and more than eighteen (18) days have elapsed.

Therefore, the Commissioner of Insurance, being fully advised, now hereby adopts in full the Administrative Law Judge's Findings of Fact, Conclusions of Law, and Recommended Order and issues the following Final Order:

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. The refusal to issue Applicant's Indiana producer license is affirmed.
2. Applicant shall not reapply for licensure for six (6) months.

Under Ind. Code §4-21.5-5-5, Respondent has the right to appeal this Final Order by filing a petition for Judicial review in the appropriate court within thirty (30) days.

ALL OF WHICH IS ORDERED by the Commissioner this 31 day of March, 2017.

  
Stephen W. Robertson, Commissioner  
Indiana Department of Insurance

Copies to:

Herbert Stepherson  
1408 Chicago St.  
Valparaiso, IN 46383

Cathleen Nine-Altevogt, Attorney  
Indiana Department of Insurance  
311 W. Washington St., Suite 300  
Indianapolis, IN 46204

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FEB 24 2017

STATE OF INDIANA  
DEPT. OF INSURANCE

**NOTICE OF FILING OF RECOMMENDED ORDER**

The parties of this action are hereby notified that the Administrative Law Judge's Recommended Order is deemed filed as of this date.

To preserve an objection to this order for judicial review, you must object to the order in a writing that: 1) identifies the basis for your objection with reasonable particularity; and 2) is filed with the ultimate authority for the Final Order, the Commissioner of the Department of Insurance within eighteen (18) days from the date of this Order.



Reuben B. Hill  
Administrative Law Judge

STATE OF INDIANA     )  
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Valparaiso, IN 46383                  )  
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Applicant.

**FILED**  
FEB 24 2017  
STATE OF INDIANA  
DEPT. OF INSURANCE

**FINDINGS OF FACT, CONCLUSIONS OF LAW  
AND RECOMMENDED ORDER**

Administrative Law Judge ("ALJ") Reuben B. Hill, having considered and reviewed all of the evidence, will now render a decision in the matter of Herbert Stepherson ("Applicant"). This matter came to be heard by the ALJ on November 2, 2016. The hearing was conducted at the Indiana Department of Insurance at 311 West Washington Street.

The Enforcement Division of the Indiana Department of Insurance ("Department") was represented by counsel, Cathleen Nine-Altevogt. Applicant appeared in person and without legal counsel. Evidence was heard and exhibits were received into evidence.

Based upon the evidence presented at the hearing, the ALJ now makes the following Findings of Fact, Conclusions of Law, and issues the Recommended Order.

**FINDINGS OF FACT**

1. On August 25, 2016, Applicant submitted to the Department an application for a resident insurance producer's license.

2. On September 22, 2016, the Department filed its Preliminary Administrative Order and Notice of License Denial denying Applicant's insurance producer licensure.

3. During the hearing, Applicant admitted to having multiple felony convictions.

4. On November 29, 2005, Applicant was convicted of Class D Felony Residential Entry in Porter Superior Court under cause number 64D05-0507-FD-005550.

5. On June 3, 2008, an Order on Admission of Probation Violation was filed in Porter Superior Court in the above-mentioned case and Applicant was sentenced to seventeen (17) months in the Department of Corrections.

6. On March 21, 2011, Applicant was convicted of Class D Felony Possession of a Hypodermic Needle in Porter Superior Court under cause number 64D02-1011-FD-11852.

7. On July 18, 2013, Applicant was charged with felony forgery and felony theft in Porter Superior Court under cause number 64D02-1310-FC-008920.

8. On July 27, 2013, Applicant was charged with felony theft, felony possession of a hypodermic needle, and misdemeanor possession of paraphernalia in Porter Superior Court under cause number 64D01-1307-FD-006716.

9. On January 3, 2015, Applicant was charged with felony fraud in Porter Superior Court under cause number 64D01-1507-F5-6180.

10. On January 13, 2016, Applicant's cases from 2013 and 2015 were combined and he pled guilty to Theft, a Class D Felony; Possession of a Syringe, a Class D Felony; Forgery, a Class C Felony; Theft, a Class D Felony; Fraud, a Level 6 Felony; and Theft, a Class A Misdemeanor.

11. Applicant stated that the forgery conviction involved writing a couple of bad checks from his boss's account.

12. Applicant stated that the fraud conviction involved misusing his girlfriend's gas card and selling gas to patrons of the gas station at a discounted price.

13. Applicant stated he is currently on probation and he has seven (7) years left but if he continues to do well, his probation will be modified after three (3) years.

14. Applicant had a troubled childhood and his father encouraged his drug use at an early age.

15. Applicant admitted to struggling with substance abuse but states he has been sober since January 3, 2015.

16. Applicant introduced nine (9) letters attesting to his character, including a letter from the Chief of the Portage Police Department stating that Applicant had made mistakes but was on a new path.

17. Applicant was baptized into the Christian faith in February 2015 and has spoken at Christian conferences, including one where he met Todd Laczynski.

18. Laczynski is a licensed insurance producer who appeared at the hearing and testified on behalf of the Applicant.

19. Laczynski is willing to hire Applicant at his agency and would put his career at stake if Applicant did not succeed as an agent.

20. Applicant has a contract with a publishing company documenting his struggles with addiction tentatively entitled "Junkbox Diaries A Day in the Life of a Heroin Addict."

### **CONCLUSIONS OF LAW**

1. The Commissioner of Insurance has jurisdiction over both the subject matter and the parties to this action.

2. This hearing was held in compliance with the Administrative Orders and Procedures Act of the Indiana Code.

3. Indiana Code § 27-1-15.6-12(b) states that the Commissioner may deny a license application due to a number of factors.

4. Specifically, Indiana Code § 27-1-15.6-12(b)(6) states that the Commissioner may deny a license for having been convicted of a felony.

5. Applicant violated Indiana Code § 27-1-15.6-12(b)(6) by his multiple felony convictions from 2005 to 2016.

6. Indiana Code § 4-21.5-3-14(c) states that the person requesting an agency take action has the burden of persuasion and the burden of going forward; here, Applicant is requesting that the Department issue his resident producer license and, therefore, bears the burden.

7. The serious and recent nature of Applicant's criminal history, including felony convictions of fraud and forgery, are aggravating factors and warrant license denial under Indiana Code § 27-1-15.6-12(b)(6).

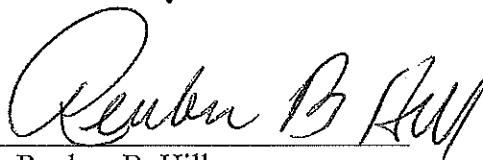
8. Findings of Fact that can be adopted as a Conclusion of Law are hereby incorporated herein as such.

**RECOMMENDED ORDER**

With the Findings of Fact and the Conclusions of Law as stated, the Administrative Law Judge now recommends to the Commissioner of Insurance the following:

1. That the refusal to issue Applicant's Indiana producer license be affirmed and Applicant shall not re-apply for licensure for six (6) months from the date of the Final Order in this matter.

ALL OF WHICH IS ADOPTED by the Administrative Law Judge and recommended to the Commissioner this 24 day of Feb, 2017.



Reuben B. Hill  
Administrative Law Judge

Distribution:

Herbert Stepherson  
1408 Chicago St.  
Valparaiso, IN 46383

Cathleen Nine-Altevogt, Attorney  
Indiana Department of Insurance  
311 W. Washington St., Suite 300  
Indianapolis, IN 46204



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Herbert Stephenson                    )  
1408 Chicago St                        )  
Valparaiso, IN 46383                  )  
  )  
Application ID: 549292                 )

**FILED**

SEP 22 2016

STATE OF INDIANA  
DEPT. OF INSURANCE

**PRELIMINARY ADMINISTRATIVE ORDER**  
**AND NOTICE OF LICENSE DENIAL**

The Indiana Department of Insurance, pursuant to the Indiana Administrative Orders and Procedures Act, Indiana Code §4-21.5-1 *et seq.* and Indiana Code §27-1-15.6-12, hereby gives notice to Herbert Stephenson ("Applicant") of the following Administrative Order:

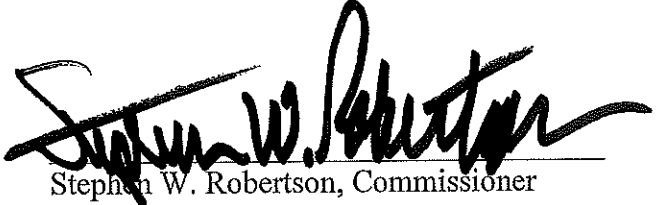
1. Applicant submitted an application for licensure with the Commissioner of the Indiana Department of Insurance ("Commissioner") on August 25, 2016.
2. Before approving an application, the Commissioner must find that the applicant has met specific requirements under Indiana Code §27-1-15.6-6 and Indiana Code §27-1-15.6-12.
3. Indiana Code §27-1-15.6-12(b)(6) provides, in part, that the Commissioner may refuse to issue or renew an insurance producer license for having been convicted of a felony.
4. Following a review of materials which were submitted in the application, the Commissioner being fully advised, now hereby notifies Applicant that he has not fully met the requirements of licensure, as stated by Indiana Code §27-1-15.6-12(b)(6), due to having been convicted in Porter County of multiple felonies: a June 3, 2008 Felony of

Residential Entry, a March 21, 2011 Class D Felony of Possession of a Hypodermic Needle, a January 11, 2016 Felony of Theft and Possession of Hypodermic and a January 13, 2016 felony convictions of Theft, Fraud, and Forgery.

5. Indiana Code §27-1-15.6-12(d) provides that the Applicant may, not more than sixty-three (63) days after notice of denial of the applicant's application is mailed, make written demand to the Commissioner for a hearing before the Commissioner to determine the reasonableness of the Commissioner's action.

**IT IS THEREFORE ORDERED** that Applicant's request for licensure is hereby **DENIED** pursuant to Indiana Code §27-1-15.6-12(b)(6), due to multiple felony convictions.

9-22-16  
Date Signed

  
Stephen W. Robertson, Commissioner  
Indiana Department of Insurance

Distribution:

Herbert Stephenson  
1408 Chicago St  
Valparaiso, IN 46383

Melissa Higgins, Investigator  
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311 W. Washington St., Suite 103  
Indianapolis, IN 46204  
317 234-8687, fax 317 234-2103

**Certified Mail Receipt: 91 7190 0005 2720 0063 2514**